IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICITON

CIVIL APPLICATION NO.684 OF 2006
IN
FERA APPEAL NO.58 OF 2006

AND
CIVIL APPLICATION NO.688 OF 2006
IN
FERA APPEAL NO.59 OF 2006

Ranjan K. Shroff .. Appellant.
Versus
Union of India & Others .. Respondents.

CIVIL APPLICATION NO.689 OF 2006
IN
FERA APPEAL NO.60 OF 2006

Sujay Trading Corporation Ltd. .. Appellant.
Versus
Union of India & Others .. Respondents.

CIVIL APPLICATION NO.690 OF 2006
IN
FERA APPEAL NO.61 OF 2006

Ms.Kiran Shroff .. Appellant.
Versus
Union of India & Others .. Respondents.

CIVIL APPLICATION NO.691 OF 2006
IN
FERA APPEAL NO.57 OF 2006

Ms.Neha Shroff .. Appellant.
Versus
Union of India & Others .. Respondents.

CIVIL APPLICATION NO.692 OF 2006
IN
FERA APPEAL NO.62 OF 2006

Ms.Kannan Shroff .. Appellant.
Versus
Union of India & Others .. Respondents.

Mr.Amit Desai i/by Bilawala & Col for the appellant.

Mr.A.H. Bhatija with Mrs.Neeta Masurkar with mr.Y.R. Mishra for Union of India.

Ms.Mulekar, G.P. for respondent No.2.

CORAM : H.L. GOKHALE, &
J.P. DEVADHAR, JJ.

DATED : 20TH SEPTEMBER, 2006.

P.C. :

1. Heard Mr.Desai in support of these civil applications. Mr.Bhatija appears for the respondents. Mrs.Mulekar appears for respondent No.2.

2. These civil applications seek stay of the order dated 18th November, 2005 passed by the Appellate Tribunal for Foreign Exchange. Since the appeals are admitted, Mr.Desai seeks stay of this order. The order passed by the Appellate Tribunal requires the appellants to pay penalty of Rs.1,70,45,000/-. The affidavits of Ms.Neha Kishor Shroff and two of her sisters Ms.Kiran Shroff and Ms.Kannan Shroff are filed. Ms.Neha Shroff affirmed her affidavit in India and other two sisters have affirmed their affidavits in California. Copies of all the affidavits are furnished to the respondents. These three sisters are holding two Reserve Bank of India Bonds. One RBI bond is jointly held by Neha and Kiran and other bond is held by Neha and Kannan. The current value of these two bonds together is Rs.1,66,88,936/-. The appellants have offered to deposit these two bonds with the Enforcement Directorate and to make good the shortfall of

Rs.3,56,064/-. In these affidavits, it is stated in paragraph Nos.D & E as follows :

> "(d) That pending the hearing and final disposal of the 6 Appeals as set out in paragraph (a) above, I undertake not to transfer, alienate and/or encumber the Savings Bonds as above without the permission and/or leave of this Hon'ble Court.
>
> (e) In the event of the 6 Appeals being dismissed, I undertake to take all steps required for the purpose of encashment of the above Savings Bonds for payment to the Respondents of the amount of penalty, or portion thereof, as may be decided by and in accordance with the orders of this Hon'ble Court, subject to my right of Appeal before the Hon'ble Supreme Court of India."

3. Mr.Desai, therefore, prays that these two bonds and the demand draft for remaining amount of Rs.3,56,064/- along with statements in paragraph d and e should be treated as sufficient security for the Enforcement Directorate in the event these appeals are dismissed.

4. Mr.Bhatija, learned counsel appearing for the revenue submits that right now apart from this amount of Rs.3,56,064/- only the RBI bonds are being deposited with the Enforcement Directorate and even to receive them he wants to obtain instructions from the head-quarters in New Delhi. He is making this statement on instructions from Mr.A.K. Singh, Assistant Director, Enforcement Directorate who is present in Court.

5. We have noted the submissions of both the counsel. In our view, the bonds along with undertaking contained in paragraph d and e as also the Demand draft of Rs.3,56,064/- is sufficient by way of security. We permit the appellants/applicants to deposit the two bonds and the demand draft with the Assistant Director of the respondent.

6. In view of this deposit of two bonds with demand draft, the order is stayed in terms of prayer clause (a) and (b) of the civil applications. Liberty to the respondents to apply in the event they found any difficulty. Mr.Desai has handed over the demand draft and the two bonds to Mr.Bhatija who has taken them on behalf of the Assistant Director who is present in Court.

7. Mr.Desai makes a request that he would like to carry out the corrections in the affidavits of Ms.Kiran Shroff and Ms.Kannan Shroff. He may carry out the necessary corrections and corrected copies will be filed in Court and will be made available to the respondents.

8. The civil applications stands disposed of with no order as to costs.

(H.L. GOKHALE, J.)

(J.P. DEVADHAR, J.)